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10 SEP 1975

MEMORANDUM FOR THE RECORD

SUBJECT: Interview with Ms. Sandra Zeune, Staff Member, House
Select Committee on Intelligence

25X1A 1. Subject interview commenced at approximately 1430 hours on
8 September 1975. [] current C/LOG/OTR, Ms. Zeune
and myself were in attendance.

25X1A 2. Ms. Zeune first asked for my full name and current title. Since
I am not under cover, the information was provided. When the same question
was asked of [] who is under cover, only his first name was
provided and his current position.

3. The formalities over, Ms. Zeune asked me to outline the procedures
established to control Agency property. I responded to the question by
providing:

a. Very brief outline of Type I procedures as they apply to our
Depots, emphasizing the fact that all items regardless of value are
made part of the accountable records.

b. The rationale, i. e., use of indigenous personnel for record
keeping, limited quantities of property at small Stations or Bases
which do not justify the assignment of a Logistics Officer, etc. for
a less cumbersome and detailed property control procedure for our over-
seas activities.

c. An overview of Type II procedures with special reference to
the definitions of expendable and nonexpendable property, the controls
placed on ordnance and personal appeal items, and the use of the hand
receipt for those items on loan to our staff personnel.

25X1A 4. Ms Zeune interrupted only once during my response to raise the
question as to whether "gifts" fall into the expendable category and who
approves the issuance of a gift. I advised her that the Chief of Station
alone has that authority but that in the larger Stations he may elect to
delegate that authority to another senior officer, say a Chief of Operations.
[] added that, in those Stations in which he has served, the
gifts were valued at less than \$50. Mrs. Zeune then asked if a Station

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Chief of Station could pay without prior Headquarters approval. He then emphasized that the approved budget for any given project restricted, if not prevented, excessive salaries or gift giving. In this phase of the discussion, I elected to show Ms. Zeune that page of our Type II handbook which provides a sample of operational write off and she requested a copy. A copy has been forwarded to the Review Staff.

5. Apparently satisfied with our responses to this point, Ms. Zeune sat back in her chair and stated that she wished to raise a delicate question and hoped that I would not take offense. She then asked if I personally knew of any case where any officer may have misappropriated Government property. I allowed as how that was a good question!

6. In responding I indicated that Government money was always (hopefully) under lock and key but that Government property was all around us even at that moment. Complicating the problem, I felt, was that in combat situations (as in the past Laos and Vietnam operations) it was unreasonable to place the burden of property control on an officer who was not always in the camp where the property was located, leaving it subject to theft, damage, etc. I opined that I can establish all kinds of procedures but cannot legislate personal honesty. I indicated that when I get to hell - for other sins than theft of Government property - I fully expected to find popes, bankers, businessmen, a great number of lawyers, and a representative number of Senators there for the crime of theft. She blushed and allowed that I was most likely correct.

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8. After asking [] if he knew of similar cases and receiving a negative response, Ms. Zeune thanked us for our direct responses, asked both [] and myself for the titles we held prior to our current assignments and left with apparent satisfaction.

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Chief, Supply Division, OL

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